



INSURANCE FRAUD INVESTIGATION DIVISION
Kentucky Department of Insurance
909 Leawood Drive, P. O. Box 4050, Frankfort, KY 40604-4050
Phone 502-564-1461 – FAX 502-564-1464
Fraud Statistics/Convictions Activity
October 2014

<u>Fraud Statistics</u>		<u>Month/October</u>	<u>YTD</u>
Total Referrals Received.....		164	1,453
Closed Referrals.....		114	854
Open Cases (Investigations – includes prior years).....			370
Assigned Cases (Investigations).....		7	72
Closed Cases (Investigations).....		1	64
Closed Cases (Investigations) Exceptionally Cleared – Declined by Prosecutor.....			5
Charges (25 felony, 0 misdemeanor)		25	152
Convictions (5 felony, 2 misdemeanor)		7	33
Restitution Ordered.....	\$	8,054.94	270,301.03
Restitution Agreed.....	\$.00	.00
Restitution Total.....	\$	8,054.94	270,301.03
Investigation Expenses to Division			
Awarded.....	\$	3,098.61	10,620.95
Collected.....	\$	1,260.07	9,321.98
DOI Fines.....	\$.00	.00
Administrative Subpoenas Issued.....			17
Non-Licensed Individuals.....			17
Licensed (active/inactive individuals).....			
Subpoenas Received.....			31

Convictions Activity

Gerald Mark Adams – Adams, an agent, established 13 fraudulent life insurance policies that contained false signatures. Adams pleaded guilty to four charges – one count of fraudulent insurance acts greater than \$500 and three counts of second degree forgery. Adams was sentenced to five years in prison, granted pre-trial diversion for five years, and ordered to serve 10 days in jail on weekends until time served. Adams also was ordered to pay restitution of \$5,327.53, as well as court costs of \$155.

Mia Delorch – Delorch presented a vehicle theft claim to her insurer and \$837 was paid in rental fees. Delorch knew the vehicle in question had been repossessed at the time she presented the claim. Delorch pleaded guilty to the charge of attempted fraudulent insurance acts greater than \$500 and was sentenced to 365 days incarceration to run concurrently with a sentence she is already serving. Delorch was ordered to pay \$837 in restitution to the insurer and \$937 to the Insurance Fraud Investigation Division for investigative expenses.

Nicholas Brady – Brady filed a fraudulent workers' compensation claim, asserting that he had broken his finger at work, while surveillance showed that he did not. Brady pleaded guilty to fraudulent insurance acts less than \$500 and was sentenced to twelve months, probated for 24 months. Brady also was ordered to pay a fine of \$1,000, which was suspended, and to pay restitution of \$299.

Alice Penrod – Penrod claimed a loss for fire damage to her home and personal property. The fire was determined to be arson. Penrod pleaded guilty to two counts of fraudulent insurance acts greater than \$500, one count of criminal possession of a forged instrument and one count of forgery second degree. Penrod was sentenced to a total of three years, diverted to two years of probation. She also was ordered to pay total restitution of \$7,217.94 to her insurers and \$2,161.61 to the Insurance Fraud Investigation Division for investigation expenses.